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WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 11/16/07

Index:

1) Prime Minister's daily schedule (Nikkei)

Prime Minister Fukuda off to Washington:

2) Prime Minister Fukuda leaves for US to meet with President Bush
(Yomiuri)

Japan in action:

3) Prime Minister Fukuda eyes taking environmental initiative at
East Asia summit (Nikkei)

4) Abductees' kin in Washington asks US not to cross out North
Korea's name on terror list (Sankei)

5) Japan to send election observers to Pakistan (Yomiuri)

6) Japan, South Africa agree to develop rare metal (Tokyo Shimbun)

7) Japan puts off inking economic partnership agreement (EPA) with
ASEAN (Yomiuri)

8) JP Bank (Yucho Ginko) stops remittances to Iran, with US bank
halting transactions (Mainichi)

Fallout from MOD scandals:

9) Ex-MOD Vice Minister Moriya in Diet summons testifies former
defense chiefs, Nukaga and Kyuma, wined and dined by defense
contractor (Asahi)

10) MSDF refueling bill up in the air (Nikkei)

11) Ex-MOD Vice Minister Moriya to return retirement money (Yomiuri)

Political topics:

- 12) DPJ's Ozawa: "President Bush is not supported. What makes them feel hesitant?" (Asahi)
- 13) Fukuda cabinet's support rate slips 2.8 points to 41.3 PERCENT in Jiji poll (Tokyo Shimbun)

Defense and security issues:

- 14) Hiroshima police drop gang rape case against US Marines (Asahi)
- 15) USAF apologies to Japanese airline crew reps at US Embassy Tokyo for near-miss over Guam (Asahi)
- 16) ASDF buys night vision goggles made in U.S.A., but all bogus, not genuine (Yomiuri)

Articles:

- 1) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, November 15

NIKKEI (Page 2) (Full)
November 16, 2007

Spent the morning at private residence in Nozawa.

12:37

Arrived at the official residence.

13:40

Met with Deputy Chief Cabinet Secretary Futahashi at the Kantei.

14:12

Gave interview to four foreign news organizations, including Xinhua News Agency. Then videotaped a message for an event to be held

TOKYO 00005258 002 OF 009

before Vietnamese President Nguyen Minh Triet's Japan visit.

15:00

Met with Deputy Chief Cabinet Secretary Iwaki, Assistant Deputy Chief Cabinet Secretary Ando and Foreign Ministry Economic Affairs Bureau Director General Otabe.

16:13

Met with Chief Cabinet Secretary Machimura.

16:53

Arrived at the official residence.

18:22

Left Haneda Airport by government plane to visit the US.

Articles:

- 2) Prime Minister Fukuda departs for US

YOMIURI (Page 2) (Full)
November 16, 2007

Prime Minister Yasuo Fukuda left for the United States last night from Haneda Airport on a government plane. This US visit is his first official overseas trip as prime minister. He will meet with President George W. Bush on the morning of Nov. 16 (early on Nov. 17, Japan time). He is expected to return home on the 17th. Prior to his departure, Fukuda told the press corps at the Prime Minister's Office:

"I want to engage in frank exchanges of views with the president. It is important to make efforts to strengthen and deepen Japan-US relations. It is also necessary to promote wide-ranging exchanges."

- 3) East Asia summit: Prime minister to announce outlay of 200 billion yen as assistance for environmental policy, featuring measures to deal with pollution

NIHON KEIZAI (Page 7) (Full)
November 16, 2007

Prime Minister Yasuo Fukuda yesterday decided to propose at the upcoming East Asia summit to be held in Bogor, Indonesia, a comprehensive set of measures aimed at dealing with environmental issues in Asia. According to the plan, Japan will disburse approximately 200 billion yen over five years to be used for measures to deal with pollution, including air pollution. Fukuda will also reveal humanitarian and intellectual assistance, including accepting trainees and inter-region cooperation among graduate schools.

4) Abductees' families meet Assistant to the US President Jeffrey

SANKEI (Page 3) (Excerpts)
November 16, 2007

A delegation to the United States of representatives of the Association of the Families of Victims Kidnapped by North Korea and the Parliamentarians' League to Address North Korea's Abductions of Japanese Nationals met on Nov. 14 with Assistant to the President and Deputy National Security Adviser James Jeffrey to ask the US

TOKYO 00005258 003 OF 009

government not to delist North Korea as state sponsor of terrorism. According to reporters, lawmaker Takeo Hiranuma, chairman of the parliamentarian's league, said after the meeting that (James Jeffrey) said, "President Bush also has been seriously considering the abduction issue. We will handle the matter carefully."

Jeffrey also added: "Unless conditions are met, we will not delist North Korea. The abductions are also our matter, as well." He did not mention any specific conditions for the delisting of North Korea.

5) Government to send election-monitoring team to Pakistan after state of emergency lifted

YOMIURI (Page 2) (Full)
November 16, 2007

The government launched yesterday coordination to send an election-monitoring team made of Foreign Ministry officials to Pakistan, which plans to hold parliamentary elections in early January. The aim is to support Pakistan's effort to promote democracy, as the country has played an important role in the war on terror. However, since Pakistan has imposed a state of emergency nationwide, the government intends to dispatch the election-monitoring team after the state of emergency is removed. A senior Foreign Ministry official said: "Under the present situation, it is difficult for the country to conduct free and fair elections."

The monitoring team will likely be made up of a dozen or so Foreign Ministry officials and Japanese Embassy staff members in Pakistan. The team will engage in supervising those working on elections and monitoring polling stations. The government has provided Pakistan with about 400 million yen in emergency grant aid through the United Nations Development Program (UNDP).

The government conveyed to Pakistan, which declared on Nov. 3 the state of emergency, its serious concern that the process of promoting democracy would backslide. It has called on the country to normalize the situation as early as possible. Foreign Minister Masahiko Koumura has announced that Japan will reconsider its decision to increase the amount of official development assistance (ODA) to Pakistan.

6) Japan reaches agreement with South Africa on development of rare metals to pave way for stable procurement

TOKYO SHIMBUN (Page 3) (Full)
November 16, 2007

Japan and South Africa yesterday reached an agreement to pave the way for jointly developing rare metals used for autos and mobile phones and improving an investment environment in South Africa.

Minister of Economy, Trade and Industry Akira Amari and South African President Mbeki met in Cape Town and agreed to promote bilateral cooperation. Meeting the press after the talks, Amari stressed, "Japan's assistance to help South Africa become self-sufficient will lead to a mid- to long-term stable supply of resources."

7) Signing EPA with ASEAN to be postponed to next year

TOKYO 00005258 004 OF 009

YOMIURI (Page 11) (Full)
November 16, 2007

The government announced yesterday that it would put off the signing of an economic partnership agreement (EPA), centering on a free trade agreement (FTA), with the Association of Southeast Asian Nations (ASEAN), until 2008. The decision came due to a delay in coordinating views about the details of the accord. The government said that both sides expect to formally sign the agreement in February or March next year.

7) Japan Post Bank to suspend remittances to Iran, following US bank's halt of dealings

MAINICHI (Page 2) (Full)
November 16, 2007

Japan Post Bank Co. announced yesterday that it will suspend remittances to Iran starting on Nov. 22. This decision is on the heels of the decision of the bank in the United States to which Japan Post Bank has entrusted account settlements to stop dealings with Iran in response to Washington's policy of strengthening its sanctions against that nation. Japan Post Bank deals with about 200 cases of remittance to Iran annually and has so far sent approximately 50 million yen in total. The decision will hinder remittances to Japanese nationals living in Iran.

8) Moriya testifies that Nukaga and Kyuma were present at wining and dining, but both say they do not have such a recollection

ASAHI (Top play) (Excerpts)
November 16, 2007

Former Administrative Vice-Defense Minister Takemasa Moriya, 63, testified before the House of Councillors Foreign Affairs and Defense Committee yesterday that Finance Minister Fukushima Nukaga and former Defense Minister Fumio Kyuma had been present when he was being wined and dined by Motonobu Miyazaki, a former managing director of defense equipment trading house Yamada Corp. who is under attest on suspicion of corporate embezzlement and other charges. Nukaga and Kyuma, both former defense chiefs, said after Moriya's testimony that they have no recollection of the matter. The major opposition Democratic Party of Japan (DPJ or Minshuto) is demanding explanations at the Diet, seeking testimony by the two at the House of Representatives. With the DPJ looking to submit censure motions against Nukaga and Kyuma, the matter might escalate into a question of whether they should resign or not. It has now become difficult for a refueling assistance bill designed to resume the Maritime Self-Defense Force's refueling operation to clear the Diet in the current session that was extended to Dec. 15.

According to Moriya's testimony, Nukaga was present at a meeting held at a Japanese restaurant in Tokyo's Kanda district probably in the year before last when US Defense Department Japan desk director James Auer was visiting Tokyo. Miyazaki was there when Moriya arrived and then Nukaga came and left first. Other lawmakers were also present, according to Moriya.

Kyuma attended a party held two to three years ago at a Japanese restaurant in Tokyo's Roppongi district near the then Defense Agency. Moriya was invited by Naoki Akiyama, an executive of the Japan-US Center for Peace and Cultural Exchanges, which hosts a

TOKYO 00005258 005 OF 009

biannual symposium for national defense legislators of the two countries, saying, "I am going to drink with the minister. Why don't you come over?" Kyuma left the restaurant soon after Moriya arrived and he continued to drink with Akiyama and Miyazaki. Moriya said that he does not remember what they discussed.

9) Deliberations on new refueling bill to start on Nov. 26 or later

NIKKEI (Page 2) (Full)
November 16, 2007

The future course of new legislation aimed at enabling the Maritime Self-Defense Force to resume refueling operations in the Indian Ocean, the major point at issue in the current Diet session, has become even more unclear in the wake of the summoning of Former Administrative Vice Defense Minister Takemasa Moriya to the Upper House yesterday. The government and the ruling camp are seeking to discuss scandals involving the Defense Ministry and the new legislation separately. However, with the opposition camp getting a boost from the testimony given by Moriya, deliberations on the new bill will unlikely start before Nov. 26.

Commenting on the emergence of the names of Kyuma and Nukaga in connection with dinner parties hosted by a former executive director of a trading house specializing in military procurement, Defense Minister Shigeru Ishiba yesterday said, "It cannot be definitely concluded that politicians' attendance at such dinner parties can be immediately linked to the existence of a criminal nature." He then stressed that deliberations on the new legislation should be considered in a separate framework.

Talks between the ruling and opposition camps over a deliberation schedule to handle the new refueling bill have made little progress. Seiji Suzuki, chairman of the Liberal Democratic Party (LDP) Upper House Diet Affairs Committee, and Susumu Yanase, chair of the Democratic Party of Japan (DPJ or Minshuto) Upper House Diet Affairs Committee discussed the deliberation schedule yesterday as well. However, a gap remains between the LDP, which is calling for an early start of deliberations, and the DPJ, which is giving priority to shedding light on the scandals.

With Yanase indicating his perception that it would be difficult to enter into deliberations in the Upper House plenary session on Nov. 19, as sought by the ruling party, the likelihood is that deliberations will not take place before Nov. 26. If that is the case, it would be more difficult for the new bill to secure Diet approval during the current session, which is to last until December 15. Chances are that the government and the ruling parties might be urged to discuss the propriety of extending the session.

DPJ Diet Affairs Committee Chair Kenji Yamaoka noted, "A step for deliberations on the new legislation must come after scandals involving the Defense Ministry are unraveled." He has repeatedly stressed the DPJ's policy of giving priority to the Iraq Reconstruction Assistance Special Measures Law scrapping bill in Upper House deliberations.

The DPJ at a meeting of the directors of the Upper House Diplomatic and Defense Affairs Committee on the 15th proposed starting deliberations on its own bill. It is expected to offer an explanation of the bill as early as the 20th.

TOKYO 00005258 006 OF 009

10) Former Vice Defense Minister Moriya to return entire retirement allowance to state coffers

YOMIURI (Page 2) (Full)
November 16, 2007

Former Administrative Vice Defense Minister Takemasa Moriya, testifying yesterday under oath to the House of Councillors Committee on Foreign Affairs and Defense, said that he would return his retirement allowance to the state coffers to take responsibility for having been excessively wine and dine (by the arrested former

defense trading house executive) and other reasons.

Moriya stated:

"I am sorry that (Defense Ministry and Self-Defense Forces) personnel have lost the public trust because of what I did. A person like me is not qualified to receive a retirement allowance. Therefore, I will return it."

According to the Defense Ministry, Moriya, who retired from the ministry in late August, received approximately 75 million yen as a retirement allowance in September.

In the ministry, there is a view that he took responsibility in his own way.

However, the law on retirement allowances for national public servants stipulates that if government officials are charged with a case for what they did during their tenure and they are sentenced to a jail term, they must return their retirement allowance to the state coffers. Since the special investigation squad of the Tokyo District Public Prosecutors Office has decided to build a bribery case against Moriya, there is also a view in the ministry that there is little meaning in what he said, because if he is charged with bribery, he will have to return his retirement allowance anyway.

11) Interview with DPJ President Ozawa: "Americans do not support President Bush. Why do we have to care (about his reaction)?"

ASAHI (Page 4) (Full)
November 16, 2007

-- You have put forward the view that it should be possible for Japan to take part in the International Security Assistance Force (ISAF). Your party members now fully understand this idea?

I have not suggested that Japan should join any operations. The government of the day should determine in which area and to what extent Japan should participate after thorough thought. Our party promised in its manifestos Japan's participation in United Nations operations, so this is not a matter that will be discussed from scratch. I wonder why such a simple matter is not understood.

-- The Social Democratic Party (SDP) is against the idea. Will such a stance affect electoral cooperation between the two parties?

I don't care whether the SDP is opposed to it. But if the party is eager to topple the government led by the Liberal Democratic Party, that will do. Japanese are not good at taking a realistic attitude. Even in the case of the coalition government of Germany, the parties do not necessarily share the same views. Even if there are minor

TOKYO 00005258 007 OF 009

differences in our policies, it should be possible for the two parties to cooperate with each other. Although it is a different matter whether the two parties will form a coalition when (our party) wins power, there will be no problem with electoral cooperation. With the Japanese Communist Party, cooperation will also go smoothly. Nonetheless, when it comes to the question of whether our party will form a coalition with it, that is a different matter.

-- Some voice concern about the future of Japan-US relations.

There is no need to worry. President Bush has not been supported by the American people, so why do we have to care (about his reactions)? President Bush's policy has come under heavy fire in the US.

-- Did you and Prime Minister Fukuda agree to establish a permanent law in your earlier meeting?

No, we didn't. Since principles have not been made clear, it is impossible to establish a law. I said: "As long as the interpretation of the Constitution remains unclear regarding the Self-Defense Forces' overseas missions and security, I won't talk

about a coalition. I do not accept your proposal for holding talks on the government's new antiterrorism bill. It will be impossible even if you ask me, kneeling on the ground." (In the second meeting,) I said: "The dispatch of SDF troops with no principle is unacceptable." The prime minister replied: "I agree. I cannot make a decision by myself." In response to my reply: "It is meaningless to make questions for the Cabinet Legislation Bureau," the prime minister told me: "It was not the Cabinet Legislation Bureau." Since its basic principles have been left ambiguous, it will be impossible to lay out a basic law.

-- How about the possibility that the DPJ will hold policy talks with the LDP on establishing a permanent law prior to the next general election?

There is no possibility at all.

-- Once your party assumes political power, will you consider establishing a law?

It is necessary to prepare a basic law to complement the Constitution by stipulating proper principles on the dispatch of the SDF. Unless such a basic law is established, the current constitutional problems will persist until the Constitution is revised. If our party wins a majority in the next election, we will have to start the process of drawing up a basic law.

12) Poll: Cabinet support down 2.8 points to 41.3 PERCENT , nonsupport up 7 points

TOKYO (Page 2) (Abridged)
November 16, 2007

The approval rating for Prime Minister Yasuo Fukuda and his cabinet was 41.3 PERCENT , according to a public opinion survey conducted for the month by Jiji Press on Nov. 8-11. The Fukuda cabinet's support rate dropped 2.8 percentage points from its inaugural rating for last month. The disapproval rating was 31.3 PERCENT , up 7.0 points from last month. The results can be taken as reflecting a

TOKYO 00005258 008 OF 009

recent sequence of scandals, such as former Administrative Vice Defense Minister Takemasa Moriya's inappropriate ties with a defense contractor, the Maritime Self-Defense Force's coverup of the amount of fuel supplied to a US warship, and the Health, Labor and Welfare Ministry's failure to inform hepatitis C virus carriers of their infection.

In the breakdown of public support for political parties, the ruling Liberal Democratic Party stood at 23.4 PERCENT , the same as last month. The leading opposition Democratic Party of Japan (Minshuto) was at 16.3 PERCENT , up 0.1 point from last month. The proportion of those with no particular party affiliation was 52.2 PERCENT , up 0.8 point.

The survey was conducted across the nation with a total of 2,000 persons chosen from among men and women aged 20 and over. The retrieval rate was 65.7 PERCENT .

13) Hiroshima District Public Prosecutors Office drops gang-rape case against US Marines

ASAHI (Page 36) (Full)
November 16, 2007

The Hiroshima District Public Prosecutors Office yesterday dropped its case against four US Marines (aged 19, 24, 34, and 38) stationed at US Marine Corps' Iwakuni Air Station who had been suspected of gang-raping a 19-year-old woman. Prosecutors decided that there was insufficient evidence to indict the four because the women's statements were indefinite and her memories were partially ambiguous.

The Hiroshima Prefectural Police started investigations based on the women's complaint. Police sent papers on the case to prosecutors on Nov. 6 saying that the four gang-raped in a car before dawn on Oct.

14 a woman they became acquainted in the city of Hiroshima. Following this, the US side will consider whether it is possible to file charges against the four in a court-martial under US law.

14) US Air Force apologizes for near-miss over Guam

ASAHI (Page 37) (Full)
November 16, 2007

A US military aircraft in training came close in August to a JALWAYS Sydney-Narita passenger jet (carrying 414 passengers and crewmembers) -- flight number 772 -- in the skies over Guam (altitude of about 11,500 meters). In this connection, US 5th Air Force headquarters aircraft director Michael Bishop and others met representatives of the Air Line Pilots' Association of Japan (ALPA) at the US Embassy in Tokyo yesterday and offered an apology. They also produced a written statement vowing to make efforts to prevent a recurrence. It is unusual for the US side to admit fault in a near-miss between a US military aircraft and a commercial airplane.

According to ALPA, the US side admitted that the US military aircraft had identified the JALWAY jetliner as an unidentified plane due to insufficient communication with air traffic control and approached it to about 600 meters from behind to correctly identify it and that the military aircraft did not follow a set of procedures for approaching a plane stipulated by international treaty.

TOKYO 00005258 009 OF 009

15) ASDF purchased 136 sets of counterfeit night-vision goggles

YOMIURI (Page 38) (Full)
November 16, 2007

The Defense Ministry announced yesterday that the 136 sets of US-made night-vision goggles the ministry purchased for security at Air Self-Defense Force bases were counterfeit. There is a strong possibility that they were products widely available to hobbyists in the United States. The ministry will return the products to the trading house in Tokyo that had delivered them and seek repayment.

According to MOD, the ministry concluded a contract in March 2006 with the trading firm to purchase 136 sets of night-vision goggles produced by Northrop Grumman at 300,000 yen apiece, for a total of 41 million yen. The products were delivered in February 2007. An outside source this summer reportedly told the ministry that the goggles might be fakes. MOD in turn made an inquiry with Northrop Grumman and sent photos of the goggles. Northrop Grumman responded that the goggles were not produced by the company.

MOD intends to cancel the contract with the trading house and is investigating whether the firm delivered the products in the knowledge that they were fake.

DONOVAN